

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendraye  
Marshall Johnson  
Ken Nickolai  
Thomas Pugh  
Phyllis A. Reha

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of American Cellular  
Corporation's Petition for Designation as an  
Eligible Telecommunications Carrier and  
Redefinition of Rural Telephone Company  
Service Area Requirement

ISSUE DATE: December 18, 2006

DOCKET NO. PT6458/M-05-1122

ORDER GRANTING PETITION TO  
REDEFINE SERVICE AREA  
REQUIREMENTS TO THE WIRE CENTER  
LEVEL

**PROCEDURAL HISTORY**

On February 3, 2006, the Commission issued its ORDER GRANTING ETC DESIGNATION AND REDEFINING SERVICE AREA REQUIREMENTS in this docket. In its Order, the Commission gave its approval for American Cellular Corporation (ACC) to assume the rights and duties of an Eligible Telecommunications Carrier (ETC) in various parts of Minnesota, including parts of the service area of some rural telephone companies. ETCs are eligible to receive subsidies from the federal Universal Service Fund to provide affordable telecommunications service to "low-income consumers and those in rural, insular, and high cost areas."<sup>1</sup>

On February 6, ACC filed a letter with the Federal Communications Commission (FCC) and the Universal Service Administrative Company (USAC) informing them of the Commission's decision and of ACC's eligibility to receive universal service funds. But USAC has declined to provide subsidies with respect to ACC's operations in 72 wire centers that no other competitive ETC has sought to serve.

On May 16, 2006, ACC asked the Commission to clarify its prior Orders with respect to the 72 wire centers in question.

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<sup>1</sup> 47 U.S.C. § 254(b)(3).

On June 14, 2006, the Commission issued its ORDER CLARIFYING PRIOR ORDERS (Clarifying Order). In its Clarifying Order, the Commission granted ACC's request and clarified that the February 3, 2006 Order allowed, among other things, the redefinition of certain wire centers where the incumbent companies' study areas will not be served in entirety by ACC, but where the incumbent companies' study areas have been redefined at the wire center level in an earlier ETC case, the Midwest Wireless case in Docket No. PT 6153/AM-02-686. The Commission concluded that the redefinitions resulted in each individual wire center being a separate service area for the purpose of granting universal service support for future competitive ETC designations.

Notwithstanding the Commission's June 14, 2006 Clarifying Order, USAC (the Universal Service Administrative Company, an entity designated by the Federal Communications Commission (FCC) to administer the federal universal service funding) has not disbursed federal support for the Citizens and Melrose wire centers listed in ACC's filing. USAC's position is that the Midwest Wireless Order redefined only those Citizens and Melrose wire centers where Midwest Wireless was designated as an ETC, not the other Citizens and Melrose wire centers where ACC sought ETC designation.

On October 10, 2006, ACC filed a petition asking the Commission to redefine the service area requirement in specific wire centers in the Citizens and Melrose study areas for purposes of facilitating its receipt of the federal universal service support. Attached to the ACC's petition as Exhibit B was a list of the specific wire centers in which ACC was asking the Commission to redefine the service area requirement. Exhibit B is attached to this Order marked Attachment 1.

No party filed comments on the Company's request.

The Commission met to consider this matter on November 30, 2006.

### **FINDINGS AND CONCLUSIONS**

In this petition and earlier petitions filed by ACC requesting ETC designation, no party has disputed the Company's ETC designation in the affected areas, including the redefinitions of the service areas at the exchange or wire center level. In addition, the Department of Commerce has supported ACC's redefinition issue from the beginning of the case.

The record shows that the proposed redefinition does not create a risk of either intentional or unintentional cream skimming, will not affect Citizens or Melrose's status as rural telephone companies, and will not create any administrative burdens.

Consistent with the Commission's policy as stated in the Commission's June 14, 2006 Clarifying Order, the Commission will grant ACC's petition. The Commission does so with the objective of addressing USAC's concerns that hinder ACC's receipt of federal support for the Citizens and Melrose wire centers where ACC has been designated as an ETC.

## **ORDER**

1. American Cellular Corporation's petition is granted.
2. The Commission hereby redefines the service area requirement for the entire Citizens and Melrose study areas to the wire center level and reaffirms ACC's designation as an eligible telecommunications carrier (ETC) as to those wire centers listed on Exhibit B to the Company's October 10, 2006 petition. See Attachment 1
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

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